I. **Purpose, Overview and Scope of this Policy**

The purpose of this policy is to establish a framework for appropriate use of Procurement Cards.

A Procurement Card is a City-issued credit card from a financial institution. The Procurement Card shall be used as an option for small purchase unless the items are available in current City inventory or through established contracts.

This policy applies to all employees who are issued a City of St. Helena Procurement Card and all departments who authorize employees to use City Procurement Cards.

II. **Authority**

The City Manager has authority to update this policy.

III. **Policy**

Purchasing cards may be issued in a designated individuals name and/or the City of St. Helena.

1. **General Information**

   The City Procurement Card is to be used for official City business and may not be used for personal purchases under any circumstances. Failure to follow this policy, including any outlined procedures for Procurement Card purchases contained in this policy, may lead to the suspension or termination of a procurement card and disciplinary action. Reimbursement to the City by the employee for the unauthorized charges is mandatory.

   The Finance Director acts as the Citywide Procurement Card Administrator and serves as the primary contact for the financial institution issuing procurement cards and administers the Citywide program.

   The Procurement Card will only be issued to Cardholders who certify they have read, understand, and will comply with this policy. Employees issued a Procurement Card are responsible for any and all use of the Procurement Card.

   Use of a City Procurement Card is a privilege and the City Manager or Director of Finance may suspend or revoke cards at anytime in according to his/her assessment of the City’s
best interests such as, but not limited to, lack of timely review and approval of Procurement Card invoices and violations of this policy.

2. **Obtaining a City Procurement Card**

Various employees are authorized to receive a Cal Card issued in their name for City-related purchases. The following is an overview of who may be issued cards, card limits, and card approvals:

<table>
<thead>
<tr>
<th>Position</th>
<th>Approval of Issuance</th>
<th>Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Manager</td>
<td>Upon hire</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Department Heads</td>
<td>Upon hire</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Mid-Managers</td>
<td>Dept. Director Recommendation City Manager Approval</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Police Department – Gas</td>
<td>Revolving</td>
<td>$500.00</td>
</tr>
<tr>
<td>City General Card (2 issued)</td>
<td>Revolving</td>
<td>$1,500.00</td>
</tr>
</tbody>
</table>

The Department Director shall evaluate the operational necessity for issuance of Procurement Cards to Department employees based on the duties and responsibilities of employees and the operational requirement and shall limit the request for issuance of Procurement Cards to managerial staff. To determine the operational necessity, departments shall take into consideration frequency of purchases, types of purchases (materials, equipment, supplies, services), and anticipated monthly average procurement card transaction. The operational necessity shall be documented on the *Application for Procurement Cards*.

The Department Director is responsible and accountable for: (1) adherence to this policy for Department Cardholders; (2) adherence to this policy; and (3) maintenance of appropriate internal controls.

The City Manager will review and approve/deny all *Application for Procurement Cards* at his/her discretion.

City General Procurement Cards - The City of St. Helena has two (2) general Procurement Cards available for employee use when necessary. Use is limited to travel for City of St. Helena business and incidental department purchases in which an invoice cannot be issued.
Procedures:

a. Department Director notifies Finance Director, or designee, the name of the employee being authorized to temporarily utilize the general Procurement Card, for what purposes, and duration of use.

b. Finance Director, or designee, temporarily assigns Procurement Card to designated employee.

c. Employee and Finance staff will complete the *Cal Card Sign Out Sheet* which includes the last four digits of the credit card, the date the card is being checked out, employee checking out the card, what the card will be used for, and the estimated date the card will be returned.

d. At the time the Procurement Card is checked out the employee is given a *Credit Card Use* form. This form contains the conditions of use.

e. Upon return of the Procurement Card to the Finance Department a *Credit Card Use* form must be submitted along with all receipts, account coding, and Director approval of the transaction(s) which is used for monthly reconciliation of the Procurement Card statements.

Police Department Procurement Card - The City of St. Helena has one (1) Procurement Card which is issued to the Police Department for use to purchase fuel for City-owned vehicles when used for travel to training. Each month when the Procurement Card statement is received, the Police Department is responsible for attaching all receipts for fuel purchases made on this Procurement Card and returning to the Finance Director within 5 days of receiving monthly statement.

When a Procurement Card is issued to a City Employee, a *User Agreement for City-Issued Credit Card* form is to be completed by the card holder; a copy is given to the employee and the original is maintained in the employee personnel file.

3. **Use of Procurement Cards**

   **Purchasing Regulations**

Through the Procurement Card program, Finance Department decentralizes small dollar purchases to streamline the acquisition cycle. Use of the Procurement Card is not intended to replace procurement planning and purchases must be made in accordance with purchasing policies established the St. Helena Municipal Code (SHMC) Title 3, Chapter 3.04 and in accordance with other established policies such as Travel policies. Similar to other procurement methods, certain conditions must be met when using the Procurement Card:

a. The Procurement Card may be used for travel related expenses in accordance with approved travel pursuant to the established Travel Policy.
b. Each single purchase may be composed of multiple items, but the total including tax cannot exceed $500 except for off-site training and travel.

c. If a purchase will exceed the Procurement Card transaction limits, standard City purchasing procedures must be followed as outlined in SHMC Title 3, Chapter 3.04.

d. Procurement Cardholders shall purchase the least expensive item that meets performance specifications and applicable policies.

e. Purchases shall not be split to circumvent Procurement Card transaction limits.

f. Monthly statements and supporting documentation shall not be altered by employees to legitimize any procurement card transaction.

g. All Procurement Card transactions shall be documented with the appropriate credit card receipts, invoices, packing slips, etc. and returned to the Finance Department within 5 days of receiving the monthly statement. If transaction documentation is lost, a *Missing Credit Card Receipt Form* shall be completed and attached to the Monthly Statement of Account.

**Prohibitions**

The Procurement Card can be used to purchase supplies, materials, and equipment and services that do not exceed the single transaction limits as set forth in this policy or higher transaction limits as approved by the City Manager for selected Cardholders on an individual basis.

The following are prohibitions that apply to the usage of the Procurement Card including, but not limited to:

a. Non-City business.

b. Use of Procurement Card by any other person than the Procurement Cardholder.

c. Cash advances.

d. Purchase of flowers, shower gifts, birthday gifts, etc., for fellow employees.

e. Purchase of alcohol.

**Restrictions**

The following are restrictions that apply to the usage of the Procurement Card including, but not limited to:

a. Supplies or Services which exceed $500 except for:
   i. Off-site training;
   ii. Conference and hotel expenditures.

b. Subscription services that require signing of a maintenance agreement.

c. Items available from vendors where the City can be invoiced such as office supplies.

d. Purchase of communications equipment such as radios and cell phones.

e. Rentals of pieces of equipment which require signing of a rental agreement.
f. Purchase of machinery which requires signing of a maintenance agreement.
g. Purchases of alcoholic beverages.
h. Restrictions as directed by the City Council, the City Manager, Finance Director, and/or Department Director.

Emergency Exceptions

a. Emergency Operations Center (EOC) - In cases of declared emergencies, the City Manager or Director of Finance, or their designee, may authorize an increase in credit card limits and individual transaction limits as well as authorize Procurement Cards to be temporarily re-assigned to designated staff. The Procurement Cardholder whose Procurement Card was temporarily reassigned, shall include a cover memorandum explaining the date and reasons for activation of the EOC with the monthly statement of account and affirm that the Procurement Card was temporarily reassigned in accordance with this policy. All receipts must be submitted in accordance with the rest of this policy.

b. Public Safety Event – During Public Safety events (e.g.: hostage/barricade, events, special event police coverage, Fire Multiple Alarm or Casualty Incidents, etc.), where sworn personnel are held over or unable to leave the site, the Police Chief, Fire Chief, or designee, on duty for the event is authorized to temporarily reassign Procurement Cards to make emergency purchases such as food, water, barricades, or other necessary supplies. The Procurement Cardholder whose Procurement Card was temporarily reassigned, shall include the Police case number or Fire Incident Number and date and time of the event on all related receipts to be included with the monthly statement of account and affirm that the Procurement Card was temporarily reassigned in accordance with this policy.

4. Procurement Card Monthly Statements

Each month the Finance Department receives Procurement Card Statement of Activity which details all charges made during the month.

a. A copy of each individual statement is given to each card holder.
b. Individual cardholders are responsible for keeping their receipts.
c. Receipts are to be attached to the monthly statement.
d. Individual cardholders must code each transaction as well as write an explanation of the purchase.
e. If a receipt is missing, the cardholder must complete a Missing Receipt Form and attach it to their statement.

5. Responsibilities

Cardholder Responsibilities
Subject to the provisions in this policy, Cardholders are authorized by the City Manager to make purchases using the Procurement Card once the Application for Procurement Card Form has been submitted and approved by the City Manager and the Procurement Card has been received.

Responsibilities of a Procurement Cardholder include, but are not limited to:

a. Acknowledging receipt of the Procurement Card and understanding the Procurement Card Policy by completing the User Agreement for City-Issued Credit Card Form.
b. Directing questions about the proper use of the Procurement Card to the City Manager, Finance Director, or Department Director.
c. Never using the Procurement Card for transactions other than for official City purchases.
d. Never splitting purchases to avoid Procurement Card transaction limits.
e. Never purchasing items or services not for City use, inappropriate items or services, or items or services which violate any City policy.
f. Never assigning or loaning the Procurement Card to other employees unless specifically authorized in writing by this policy or the City Manager.
g. Ensuring the Procurement Card is secure from theft and misuse.
h. Returning the Procurement Card upon request from the City Manager, Finance Director, or designee.
i. Notifying the Finance Director, or designee immediately if the Procurement Card is lost or stolen.
j. Verifying that the amount on the sales draft/receipt corresponds to the items purchased, including applicable taxes, before signing the sales draft/receipt.
k. Ensuring the merchant provides an itemized receipt, which includes a description of the goods and/or services purchased, the quantity purchased, the price per item, amount of sales tax, total amount, shipping charges (if applicable), and date of purchase.
l. Keeping records of the invoice or packing slip, and credit card slip for each Procurement Card transaction until submitting these documents with the monthly statement of account reconciliation to the Finance Department.
m. Disputing charges, as appropriate, with the financial institution.
n. Ensuring that all documentation supporting each transaction, including a document disputing charges or a Missing Receipt Form, if applicable is attached to the monthly Statement of Account.
o. Recording appropriate codes on the monthly Statement of Account and a description of each transaction.
p. Identifying, if applicable, all transactions that require accrual of California Sales Tax to the Finance Department.
Department Director Responsibilities

a. Evaluate the operational necessity for issuance of Procurement Cards to Department employees based on the duties and responsibilities of employees and the operational requirement.
b. Limit the request for issuance of Procurement Cards to managerial staff.
c. If operational necessity, complete and submit the Application for Procurement Cards to the Finance Director.
d. Accountable for the adherence to this policy for Department Cardholders.
e. Accountable for the maintenance of appropriate internal controls.
f. Review and approve all Monthly Statement of Accounts for Department Cardholders ensuring that Cardholders’ Procurement Card Monthly Statement of Account includes the appropriate documentation to support transactions.
g. Review the utilization of the Procurement Cards on a periodic basis for the purpose of identifying Procurement Cards that may no longer be needed or that may be under-utilized.
h. Review Cardholder transactions for split purchases attempting to avoid transaction limits, purchases that are not for City use, inappropriate purchases, and purchases in violation of any City policy.
i. Follow appropriate disciplinary measures for violations of this policy.
j. Report violations of this policy to the City Manager and/or Finance Director.

Program Administrator for Procurement Cards

a. Shall not have a Procurement Card issued in his/her name.
b. Maintaining and reviewing Citywide Procurement Card Policy.
c. Establishing and updating Procurement Card accounts, including termination of Procurement Cards.
d. Administering dollar limits and transaction templates, which limit the utilization of Procurement Cards.
e. Providing customer service to Cardholders.

Finance Director Responsibilities

a. Serve as the program administrator for Procurement Cards.
b. Review Monthly Statement of Accounts to verify the adherence to this policy and ensuring that Cardholders’ Procurement Card Monthly Statement of Account includes the appropriate documentation to support transactions.
c. Accountable for the maintenance of appropriate internal controls.
d. As needed, provide training and advising to Procurement Cardholders.
e. Review Cardholder transactions for split purchases attempting to avoid transaction limits, purchases that are not for City use, inappropriate purchases, and purchases in violation of any City policy.
f. Follow appropriate disciplinary measures for violations of this policy.
g. Reporting violations of this policy to the City Manager and/or Department Director.
h. Ensure destruction of Procurement Cards of Cardholders who left the City or a particular department and termination of the card with the issuing financial institution.

Accounts Payable Responsibilities
a. Ensure Monthly Statement of Accounts are sent out to Procurement Cardholders on a timely basis.
b. As needed, provide training and advising to Procurement Cardholders.
c. Review Cardholder transactions for split purchases attempting to avoid transaction limits, purchases that are not for City use, inappropriate purchases, and purchases in violation of any City policy.
d. Ensure that each Procurement Card transaction is assigned a visible code on the Monthly Statement of account and charges for accrual for California Sales Tax are identified.
e. Issue payments for Procurement Cards to the appropriate financial institution.
f. Provide annual review summary for the Finance Director and City Manager review.
g. Report any violations of this policy to the City Manager and/or Finance Director.

City Manager Responsibilities
a. Review and approve/deny all Application for Procurement Cards at his/her discretion.
b. Review and approve all Monthly Statement of Accounts for Department Directors ensuring that Cardholders’ Procurement Card Monthly Statement of Account includes the appropriate documentation to support transactions.
   i. Reviewing Cardholder transactions for split purchases attempting to avoid transaction limits, purchases that are not for City use, inappropriate purchases, and purchases in violation of any City policy.
c. Follow appropriate disciplinary measures for violations of this policy.
d. Report violations of this policy to the Finance Director and/or Department Director.
IV. Attachments
   a. Application for Procurement Card
   b. User Agreement for City-Issued Procurement Card
   c. Missing Receipt Form
   d. Procurement Card Use Form
APPLICATION FOR PROCUREMENT CARD

Department Requesting Procurement Card: ________________________________________________

Name of Employee who the Procurement Card is being Requested: _________________________

Operational Necessity* for Issuance of Procurement Card: _____________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

*In accordance with Policy P-FI-0012 Issuance and Use of City Procurement Cards, the Department Director shall evaluate the operational necessity for issuance of Procurement Cards to Department employees based on the duties and responsibilities of employees and the operational requirement and shall limit the request for issuance of Procurement Cards to managerial staff. To determine the operational necessity, departments shall take into consideration frequency of purchases, types of purchases (materials, equipment, supplies, services), and anticipated monthly average procurement card transaction. The operational necessity shall be documented on the Application for Procurement Cards.

Department Director Requesting Procurement Card: _____________________________________

Department Director Signature: _______________________________________________________

Date of Request: _____________

City Manager Approval of Procurement Card: _________________________  Date: ____________

City Manager Reason for Denial of Procurement Card: _____________________________________
_____________________________________________________________________________________
_____________________________________________________________________________________

City Manager Denial of Procurement Card:  _________________________  Date: ____________

Application for Procurement Card – Updated 012018
USER AGREEMENT FOR CITY-ISSUED PROCUREMENT CARD

The following user agreement must be signed by all authorized employees of the City of St. Helena with access to a Procurement Card.

I understand that the City of St. Helena has authorized my use of a City Procurement Card for authorized business expenditures on its behalf. In accepting and/or using the card, I agree to be bound by the terms and conditions which follow.

- I will use the card issued to me only for the payment of authorized expenses consistent with my department's responsibilities and to satisfy department and City needs.
- I understand all purchases with my City-issued Procurement Card must be made in accordance with St. Helena Municipal Code (SHMC) Title 2, Chapter 3.04 for purchasing.
- I understand the purchases are limited to $500 per transaction with a total credit limit of $2,500 with the exception of training, travel, and conferences.
- I will not use the card to obtain cash advances.
- I understand that I am the only authorized card user.
- I will not use the card for personal use or for any other non-City purposes.
- I understand that all purchases shall be made in accordance with applicable purchasing, travel, and credit card policies and/or procedures in place and/or adopted by the City Council.
- I understand that I will be responsible for the timely reconciliation of all Procurement Card transactions charged to my card.
- I understand that I am responsible to provide appropriate documentation for Procurement Card transactions charged to be card.
- I will surrender the card to the Finance Director, or designee, in the event of my transfer within or separation from the City.
- I understand that any charges against the Procurement Card that are not properly identified or not allowed by the City shall be paid by me by check, currency, or salary deduction in US dollars. I further understand that any employee who has been issued a Procurement Card shall not use the card if any disallowed charges are outstanding and shall surrender the card upon demand of the City Manager, Finance Director, Department Director, or designee.
- I will immediately report any stolen or lost card to the Finance Director or designee.
- I will immediately report a stolen or lost card to the Bank at the following number:

  1-800-344-5696
  Please identify card as a Visa Cal Card

User Agreement City Issued Procurement Cards – Updated 012018
I understand that any variance and/or violation of the above conditions will result in cancellation of my credit card. Misuse of the card could result in disciplinary action and/or personal liability for unapproved charges.

All City Procurement Card purchases are subject to examination by external auditors.

The City shall have unlimited authority to revoke use of any Procurement Card issued and upon such revocation shall not be liable for any cost subsequently charged to the Procurement Card.

I certify I have received, read, and understand Policy P-FI-0012 Issuance and Use of City Procurement Cards.

I HAVE READ AND I UNDERSTAND THE ABOVE CONDITIONS.
# City of St. Helena

## Missing Credit Card Receipt

<table>
<thead>
<tr>
<th>Name:</th>
<th>[Line for Name]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date:</td>
<td>[Line for Date]</td>
</tr>
<tr>
<td>Dept:</td>
<td>[Line for Dept]</td>
</tr>
<tr>
<td>Dept. Coding:</td>
<td>[Line for Dept. Coding]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Total: [Line for Total]

Dept Head Signature: [Signature]

Finance Director Signature: [Signature]
**PROCUREMENT CARD USE FORM**

<table>
<thead>
<tr>
<th>WHO MADE THE PURCHASE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>VENDOR</td>
<td></td>
</tr>
<tr>
<td>DATE OF PURCHASE</td>
<td></td>
</tr>
<tr>
<td>DESCRIPTION OF PURCHASE</td>
<td></td>
</tr>
<tr>
<td>AMOUNT OF PURCHASE</td>
<td></td>
</tr>
<tr>
<td>ACCOUNT CODING</td>
<td></td>
</tr>
<tr>
<td>SUPERVISOR APPROVAL</td>
<td></td>
</tr>
</tbody>
</table>

**Procurement Card Conditions of Use:**
The City Procurement Card is to be used for official City business and may not be used for personal purchases under any circumstances. Failure to follow the City Council Procurement Card Policy P-FI-0012, may lead to the suspension or termination of a procurement card and disciplinary action. Reimbursement to the City by the employee for the unauthorized charges is mandatory.

The *Procurement Card Use Form* must be completed immediately after purchase is made.

Form must be filled out completely with receipt attached and submitted to Accounts Payable for processing.